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Why are some E-government programs more successful than others? The relevance of performance evaluations to regional e-Government preparations in Indonesia

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Your Excellencies, Ladies and Gentlemen,

Good afternoon. It's a great honor to be participating in this event and especially stimulating to exchange thoughts and ideas in the area of e-government particularly with the most dynamic actors from Indonesia - it's regional champions and doers.

There are many obstacles local or national governments may encounter along the e-government path. And to know how far you have travelled along the path you need performance evaluation—the milestone markers.

Because using information communications technology ("ICT") to deploy e-government is initially costly and lengthy process, governments need to be aware of the goals, the pitfalls and learn experience of others before embarking on this journey. But at a local government you have a better chance to reap the benefits earlier than even national governments. If your regency is an early adopter, then you most likely can become successful sooner not only to make your government practices more efficient but also to transform the very relationship between the public, the private sector and government.

By promoting the larger goals of society and making government more responsive to its citizens—creating a citizen-centered, "user-friendly" government— e-government can be a powerful tool in improving your regency's—and ultimately our nation's—quality of life.

There should be every reason to believe that some regional governments will outpace the national government in the implementation of e-government. By implementing e-government, you are not just building new infrastructure but redesigning your back office through the deployment of smarter, faster and more efficient work processes. And, by doing so, one of the tasks at hand is to accelerate development of the necessary environment for e-commerce transactions within the public sector.

The US Government has been pursuing the objective of exchange of electronic documents at all levels of public administration and making available public sector services in the Internet environment as a worthwhile goal.

One of the earliest e-Government evaluations in the US was published in December 2000, when the USG working group on electronic commerce presented a report entitled,

¹ The Partnership for Economic Growth (PEG) is a United States Agency for International Development (USAID)-funded Project with the Government of Indonesia. The views expressed in this report are those of the author and not necessarily those of USAID, the U.S. Government or the Government of Indonesia.

“Leadership for the New Millennium”. This report dedicates a separate section on E-Government that records the progress the US has made implementing e-commerce principles and policies in this area. (and is available for reading at www.ecommerce.gov) It also contains a number of examples to illustrate how the US moved forward in e-government projects.

In the US, the goal of E-Government is to allow citizens, businesses and government agencies alike to access government services and complete government transactions online, anytime, anywhere, and in a fast and convenient manner.

But for e-gov and e-commerce to really take off, one’s telecom market must also be open and Internet access must be cheap. (without complicated regional regulations such as levies for mobile telephone towers or *perda untuk retribusi menara seluler*)

Liberalization of the telecom market leads to increased competition among existing and incoming telecom operators, which translates into better telecommunications infrastructure and lower Internet access fees for consumers.

People use the telephone and the Internet to get service 24 hours a day, seven days a week. With the digital revolution, the US is succeeding in getting customers online and out of government lines. More than 60 percent of all Internet users interact with government websites. E-Government has saved an estimated \$17 billion and will save taxpayers a significant amount of money, while adding value to citizens’ experience with government and better serving their needs.

Consequently, the US President has made the “Expanding E-Government ” Program integral to a five--part Management Agenda for making government more focused on citizens and results. Federal information technology (IT) spending in the United States will exceed \$ 48 billion in 2002 and \$52 billion in 2003. That level of IT spending provides enormous opportunities for making the transformation government into a citizen-centered E-Government. Indeed, a good portion of current federal IT spending is devoted to Internet initiatives, producing over 35 million web pages online at over 22,000 web sites.

But past agency-centered IT approaches have limited the government ’s productivity gains and ability to serve citizens. As highlighted below, the US Federal Government is poised to transform the way it does business with citizens through the use of E-Government.

CHALLENGES FACING THE U.S.

In order to achieving better results from its IT and E-Government Programs, the Bush Administration has found Seven Chronic Problems:

Poor Program Management and Performance Value: Few delivered on time, on budget.

Agencies typically evaluate their IT systems according to how well they serve the agency's processes and needs —not how well they respond to citizens' needs. Systems are often evaluated by the percentage of time they are working, rather than the internal and external performance benefit they deliver to the programs they support.

Paving Cowpaths: Agencies automated management problems, instead of leveraging e-business to fix them. In the 1990s, government agencies used IT to automate existing

processes, rather than to create more efficient and effective solutions that are now possible because of commercial E-business lessons learned.

Redundant Buying: Multiple agencies bought the same item, instead driving economies of scale or creating one-stop points of service.

Poor Modernization Blueprints: Few agencies had a business-driven enterprise architectures, a roadmap that showed what IT investments will be used to better improve performance.

Islands of Automation:

- Citizens have to deal with multiple agencies (22,000 websites) to get service, instead of going to a single point of service website or call center
- Agencies cannot easily collaborate for key missions like Homeland Security.

Poor Cyber Security: IT security is seen as an IT or funding issue, instead of agency management issue.

Resistance to Change: Budget processes and agency cultures perpetuate obsolete bureaucratic divisions. Budgeting processes have not provided a mechanism for investing in cross-agency IT. Moreover, agency cultures and fear of reorganization create resistance to integrating work and sharing use of systems across several agencies.

In order to deal with the above challenges, the USG E-Government Task Force identified significant federal performance problems that could be addressed by E-Government and E-Business concepts. The Task Force 's analysis found that redundant and overlapping agency activities have been major impediments to creating a citizen-centered electronic government.

The overall Federal Government 's action plan for E-Government has the following primary goals as part of the President 's "Expanding E-Government " initiative.

These are to:

- Make it easy for citizens to obtain service and interact with the federal government;
- Improve government efficiency and effectiveness; and
- Improve government 's responsiveness to citizens.

OMB Director Mitchell E.Daniels initiated the interagency E-Government Task Force (perhaps equivalent to Government of Indonesia's TKTI–ICT Coordinating Team) to identify the action plan for implementing the President 's E-Government initiative.

Under the leadership of Mark Forman, Associate Director of Information Technology and E-Government, about 80 federal employees from across the federal government made up the Task Force (perhaps equivalent to TKTI's proposed Support Unit).

The E-Government Task Force found that the federal government could significantly improve customer service over the next 18 to 24 months by focusing on 23 high-payoff, government- wide initiatives that integrate agency operations and IT investments.

Subsequently, payroll processing was added as the 24th E-Government initiative. These initiatives could generate several billion dollars in savings by reducing operating inefficiencies, redundant spending and excessive paperwork.

The initiatives will provide service to citizens in minutes or hours, compared to today's standard of days or weeks. Moreover, by leveraging IT spending across federal agencies, the initiatives will make available over \$1 billion in savings from aligning redundant investments.

As you know, we usually label E-government initiatives under 4 types of categories:

The first is government-to-citizen (G2C), here in the US, we offer on-line services such as applying for Social Security benefits including obtaining student Financial Aid, loans, recreational sites, educational material, filing income tax returns. Key lines of business: social services, recreation & natural resources, grants/loans, taxes.

The second category is government-to-business (G2B), which handles transactions such as filing export licenses, procuring supplies and equipment for government agencies, obtaining business licenses as well as on-line bidding for government contracts. For example, federal government agencies are required to post solicitations for all acquisitions of more than \$25,000 on the government-wide business opportunities web site, fedbizopps.

For G2B, the focus is to reduce burden on businesses by adopting processes that enable collecting data once for multiple uses & streamlining redundant data by using the language of E-Business (XML). The key lines of business are: regulation, economic development, trade, permits/licenses, grants/loans, asset management.

Next, 3rd, is government-to-employees (G2E), which allows government employees to access and change personnel records, process travel requests, or perform routine e-mails and work assignments. There is a new terminology and approach for G2E and this is called "The Internal Efficiency and Effectiveness (IEE)". These are initiatives that bring commercial best practices to key government operations, particularly supply chain management, human capital management, financial management and document workflow.

And finally government-to-government (G2G), which permits for example, interaction and transactions between the US and foreign governments, or collaborative efforts between the USG and international organizations plus electronic transactions among any level of govt. agencies.

G2G involves basically sharing and integrating federal, state and local data. Here, the key lines of business: economic development, recreation and natural resources, public safety, law enforcement, disaster response management, grants/loans.

For further information on the USG E-government effort may be found on the Internet at, <http://www.firstgov.gov>, <http://www.whitehouse.gov/OMB>, or <http://www.cio.gov>, including an electronic copy of the report "E-Government Strategy - Implementing the President's Management Agenda for E-Government" (February 27, 2002).

The USG has been developing e-government solutions for many years and some of the main challenges deal with very straightforward issues – for example - a public sector information portal.

The USG recognized the challenge and the need to have a one-stop point for citizens – and supported the idea to categorize online content by posting government information by category of information or service rather than by government agency, which may not be obvious to the consumer at first search.

One simple service which has benefited citizens and government officials alike was started in mid-2000. This was "www.FirstGov.gov" search engine was designed to meet this need in collaboration with the private sector.

Within 90 days, The Federal government's Web portal, FirstGov.gov, was launched in September, 2000 to serve as a one-stop site for users to search all 27 million Federal agency web pages.

Another e-government challenge involves the development or creation of the information system – recognizing the need for network security of that infrastructure and the information being electronically transmitted. Both have to be secure as well as the information “protected” to address privacy concerns.

Throughout the US Government agencies, a variety of systems have been installed to allow the exchange of electronic information and documents. From the most sophisticated systems (e.g., a public key infrastructure) to the most basic system (e.g., using passwords and access control mechanisms), a variety of authentication and encryption technologies are being recognized as appropriate solutions for various e-government projects that will encrypt data and authenticate parties and content.

The USG has been proactive in stimulating the use of electronic filing. For example, in October 1998, it enacted the Government Paperwork Elimination Act. This Act is intended to increase the ability of citizens to interact with the Federal government electronically. Clinger-Cohen Act 2000 was enacted so that IT investments have to be defined, selected, and managed on the basis of a well-founded Business Case.

In order to deal with poor performance value, each Cabinet-level Department and Agency is rated quarterly for its E-government Progress in four areas:

- Modernization Blueprint -- Enterprise Architecture
- Business Cases -- Capital Planning and Investment Control
- IT Program Management
- IT/Cyber Security

Multi-agency E-Government Initiative Participation (3 Of 4 citizen-centered groups are involved).

Finally, in the words of Mark Forman, Associate Director, IT and E-Government OMB, **E-Government Success Requires A Passion for Solutions and there are several key issues:**

- Measures of success linked to program performance
- Management of Change
- Transform: Unify and simplify around customer needs
- Address chronic problems, don't ignore them, e.g.:
- Good ideas that lack proper security and business case
- Opportunities to leverage partially funded, redundant IT initiatives to get full benefit
- Prevent focus on just Web enabling

By October 2003, all agencies are required to have electronic filing and electronic signature capabilities in place. The Bush Administration like the previous Clinton Administration is very much aware of the need to keep the pace and approach on E-Gov in the fast lane.

CHALLENGES FACING INDONESIA AND OTHER DEVELOPING COUNTRIES

As you all know, electronic government in Indonesia is now advancing from the planning phase to the project implementation phase. While GOI preparedness may still be at a fairly embryonic level, there are some notable e-government developments particularly in the regions with rich natural resources.

In mid-2001, the GOI created the Ministry of Communication and Information (MOCI) to oversee the development of information and communication technology and guide the disparate and rapidly evolving programs at both the national and local level.

In March 2002, a study of Indonesia's e-government preparedness (funded by the World Bank's) found that information sharing between ministries is very limited and generally in paper form, with some files placed on and downloaded from the Internet.

The study also reported inadequate funding for information technology (IT), insufficient legal and regulatory environment, and a low penetration of communication technologies.

Indonesia, like governments of many developing nations around the world, embraced a recommended "Roadmap for E-Government" by the above study. The roadmap highlights issues and problems for a five-phase evolutionary framework from Preparation, Presence, Action, Participation and Transformation.

The implementation of e-government in the Indonesia regions has also commenced as local governments felt empowered to do so under regional autonomy legislation passed in late 2000 and implemented on January 1, 2001.

Local government funding of e-government in many regions exceeds that of the central government. For example, according to the World Bank study only 30 percent of all central government ministries offer in-house e-mail service; while in Semarang, Riau Province in Sumatra 90 percent of government staff have e-mail access. However, regional e-government programs tend to use local less professional IT advisors with mixed results. In

addition, this uncoordinated approach resulted in a plethora of hardware platforms, PC desktop systems and software application packages, causing higher support costs.

Often forgotten in the rush for hardware is the fact that human resources are also limited and training needs to be a higher priority. Officials and businessmen need confidence that e-government will be implemented and maintained and that there are benefits in doing so.

While there are indication that some e-government programs are being more quickly adopted in the regions than in central government agencies, clearer private sector role, decisive local leadership and strong sustained international support and community monitoring to keep e-government programs on track is needed.

MOCI endeavour to fill the monitoring and leadership role for its regional governments. Indonesia as other developing countries where resources are scarce is keen to target areas with high chances for success and produce "winners" and develop winning "roadmap" strategies to accommodate certain unique conditions, needs and obstacles.

In regards to e-Government strategies, an international conference entitled "Implementing E-Government" was held in Washington, DC last November where various papers relevant to the development of e-Government were discussed. (see www.marketaccess.org/event_tda_egov.asp)

One of presentation that is particularly relevant for both central and regional governments in Indonesia was the "Roadmap for E-Government in the Developing World" produced by the Pacific Council on International Policy (see www.pacificcouncil.org) . This Roadmap presents ten questions that e-government practitioners from around the world believe are crucial to successfully conceiving, planning, managing and measuring e-government.

The 10 Questions are:

1. Why are we pursuing e-government?
2. Do we have a clear vision and priorities for e-government?
3. What kind of e-government are we ready for?
4. Is there enough political will to lead the e-government effort?
5. Are we selecting e-government projects in the best way?
6. How should we plan and manage e-government projects?
7. How will we overcome resistance from within the government?
8. How will we measure and communicate progress? How will we know if we are failing?
9. What should our relationship be with the private sector?
10. How can e-government improve citizen participation in public affairs?

Two other materials that might be particularly useful both central and regional governments in Indonesia, is the "E-Government Handbook for Developing Countries" which has been prepared by the Center for Democracy and Technology (CDT) (see www.cdt.org). Another survey on how to raise public awareness efforts and their key determinants of success can be found in a study entitled "e-Government: The Next American Revolution" by the Council for Excellence in Government (see www.excelgov.org)

Clearly, there is much to be done in implementing e-Government. But there is little doubt that part of the success formula is **performance evaluation** such that each level of government -- and indeed each level of government within each country -- is regularly rated for its E-government Progress.

Today's discussion reflects the challenges ahead in implementing e-Government, including complex institutional, legal, business and technical issues. On the other hand, these are issues that all countries are facing, both developed and developing, so there are substantial lessons learned and best practices that can be applied here in Indonesia.

In providing support for this effort, the US Government understands that there are no "one size fits all" e-Government solutions. Each country--and indeed each level of government within each country-- has a unique combination of circumstances, priorities and resources. Therefore, while there may be guides and roadmaps based on experiences to date, there is no guarantee of e-government success.

It is our wish that today's seminar program will create a more constructive dialogue on e-Government, as well as the business and technical issues specifically relevant to the regional governments of Indonesia. I am hopeful that all of you can come closer together to focus on how to move from dialogue to action – and that each level of government within Indonesia will have its own roadmap that is coherent and compatible with the National Roadmap.

Your Excellencies, Ladies and Gentlemen, implementing e-Government is an extraordinarily difficult challenge that requires a coordinated and focused effort by the government, private sector, other stakeholders and citizens. E-Government is not the "Big Bang" – a single event that immediately and forever alters the universe of government. E-Government is a process--call it "e-volution"-- and often a struggle that presents costs and risks, both financial and political.

Governments around the world are embracing e-Government. In every region of the globe--from developing countries to industrialized one--national and local governments are putting critical information online, automating once cumbersome processes and interacting electronically with their citizens.

This enthusiasm comes in part from a belief that technology can transform government's often negative image. In many places, citizens view their governments as bloated, wasteful, and unresponsive to their most pressing needs. Mistrust of government is rife among the public and businesses. Civil servants are often seen as profiteers.

The spread of information and communications technology ("ICT") brings hope that governments can transform and improve not only the perceptions of the public and businesses but also investors.

Indeed, forward looking champions of e-governments in regional Indonesia—officials, businesspeople and people from civil society organizations—will be realize their dream of using ICT to improve their governments.

That is why I'm encouraged with the approach being taken with today's seminar. I wish you all fruitful and informative discussions. Thank you.